

offering at least 10 Mbps downstream and at least 1.5 Mbps upstream.⁸⁵ Taking into account mobile broadband, consumers have even more options. Approximately 97 percent of households are located in census tracts where three or more fixed or mobile broadband providers reported offering at least 3 Mbps downstream and 768 kbps upstream, and over 80 percent are located in census tracts where two or more providers reported offering at least 10 Mbps downstream and at least 1.5 Mbps upstream.⁸⁶

And the transaction will spur only more competition. The entire history of the broadband industry in the United States is one of competitors constantly leapfrogging each other and spurring competitive responses. Twenty years ago, narrowband, dial-up services like AOL, Compuserve, and Prodigy offered maximum speeds of 56 kbps.⁸⁷ Led by Comcast and TWC, among others, the cable industry then took a risk and invested billions in cable modems and network upgrades to achieve higher speeds and facilitate the delivery of innovative services.⁸⁸ Telcos responded with ADSL – vastly increasing the speeds available over the telephone plant with a dedicated connection and exploiting the transmission capacity inherent in the high-frequency portion of the loop.⁸⁹ Cable responded with faster speeds for cable modem service.⁹⁰

⁸⁵ FCC, *Internet Access Services: Status as of December 31, 2012*, at fig. 5(a) (WCB Dec. 2013), http://transition.fcc.gov/Daily_Releases/Daily_Business/2013/db1224/DOC-324884A1.pdf.

⁸⁶ *Id.*, fig. 5(b).

⁸⁷ See generally *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, Report, 14 FCC Rcd. 2398 ¶ 31 n.31 (1999) (“*First Broadband Progress Report*”) (noting that “broadband Internet access was preceded by narrowband (56 kbps) Internet access”).

⁸⁸ In 1998, the Office of Plans and Policy noted that cable providers had been offering for several years “high-speed data, interactive computer and other Internet-based services.” See generally Barbara Esbin, Cable Services Bureau, FCC, *Internet Over Cable: Defining the Future In Terms of the Past*, OPP Working Paper No. 30, at 77 (Aug. 1998), available at http://transition.fcc.gov/Bureaus/OPP/working_papers/oppwp30.pdf.

⁸⁹ See generally Jonathan Kraushaar, FCC, Common Carrier Bureau, *Fiber Deployment Update End of Year 1996*, at 21 (1997), available at http://transition.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/Fiber/fiber96.pdf (noting that ADSL technology “expand[s] the capability of existing copper pairs”).

Telcos and new entrants in turn responded with fiber-to-the-home, fiber-to-the-premises (“FTTH”), fiber-to-the-curb, and fiber-to-the-node (“FTTN”) deployments,⁹¹ and cable responded again by developing and deploying higher levels of DOCSIS.⁹² Wireless broadband providers responded to all of this with their own 3G services that offered something no other competitor could – the ability to take your broadband with you.⁹³ And they quickly followed their 3G deployments with upgrades to 4G LTE technology that now provides speeds comparable to many of the wired broadband services consumers purchase.⁹⁴ More recently, telcos have begun investing in gigabit networks of their own, as well as pair bonding, vectoring, and other initiatives.⁹⁵ The marketplace is dynamic and will continue to be; no one knows quite what the future will hold.

⁹⁰ In 1999, the Media Bureau reported to Chairman Kennard that “Cable modem deployment spurs alternative broadband technologies,” and that “cable investment inherently spurs investment in DSL and vice versa.” FCC, Cable Service Bureau, *Broadband Today: A Staff Report to William E. Kennard, Chairman, Federal Communications Commission, On Industry Monitoring Sessions Convened by the Cable Services Bureau* at 33 (Oct. 13, 1999), available at <http://www.fcc.gov/Bureaus/Cable/Reports/broadbandtoday.pdf>.

⁹¹ See, e.g., *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, Fifth Report, 23 FCC Rcd. 9615 ¶ 14 (2008) (“*Fifth Broadband Progress Report*”).

⁹² See, e.g., Mike Robuck, *DOCSIS 3.0 Arrives*, CED, Apr. 30, 2008, available at <http://www.cedmagazine.com/articles/2008/04/docsis-30-arrives>; Press Release, CableLabs, New Generation of DOCSIS Technology (Oct. 30, 2013), <http://www.cablelabs.com/news/new-generation-of-docsis-technology> (announcing developments in DOCSIS 3.1 specifications).

⁹³ See *Fifth Broadband Progress Report* ¶ 70 (noting that 3G technologies made consumers “increasingly able to connect through broadband connections to the Internet when they travel”).

⁹⁴ See *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, Eighth Broadband Progress Report, 27 FCC Rcd. 10342 ¶ 6 (2012) (“*Eighth Broadband Progress Report*”) (noting that mobile providers are “deploying new, faster, and more spectrally-efficient mobile network technologies, most notably Long Term Evolution (LTE), which offers advertised download speeds as high as 5–12 Mbps”).

⁹⁵ See, e.g., Press Release, AT&T, AT&T to Deliver First All Fiber 1 Gigabit Broadband Network to Austin (Oct. 1, 2013), <http://www.att.com/gen/press-room?pid=24841&cdvn=news&newsarticleid=37036&mapcode>; see also Israel Decl. ¶¶ 55–60.

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The only certainty is that this leapfrogging is continuing and intensifying in the broadband industry. As the FCC recently affirmed,⁹⁶ investment in broadband shows no signs of slowing:

- Broadband capital expenditures have remained high and have even increased in recent years despite earlier upgrades (and despite challenging economic conditions), rising from \$64 billion in 2009 to \$68 billion in 2012.⁹⁷
- The Progressive Policy Institute identified the telecommunications/cable industry as one of its “Investment Heroes of 2013,” including Comcast, AT&T, and Verizon, which were in the top 10 list of these major investors for the third year in a row.⁹⁸
- Annual investment in U.S. wireless networks grew more than 40 percent between 2009 and 2012, from \$21 billion to \$30 billion, and exceeded investment by the major oil and gas or auto companies.⁹⁹
- According to a PCIA study, private investment in wireless infrastructure over the next 5 years will generate \$1.2 trillion in economic growth and create 1.2 million jobs.¹⁰⁰

This reality plays itself out in the day-to-day competitive marketplace in which Comcast and TWC operate. As shown above, the combined company will face nearly ubiquitous wireline broadband competition from ILECs offering DSL-based and/or fiber services, including FTTN services that rely on DSL to reach consumers’ homes. According to Dr. Israel, “[t]he competitive pressure imposed by wired telco providers is likely to increase over time as telcos

⁹⁶ FCC, Fact Sheet: Internet Growth and Investment (Feb. 19, 2014), http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0219/DOC-325653A1.pdf.

⁹⁷ See Patrick Brogan, *Updated Capital Spending Data Show Rising Broadband Investment in Nation's Information Infrastructure*, USTelecom, at 1-2 (Nov. 4, 2013), <http://www.ustelecom.org/sites/default/files/documents/103113-capex-research-brief-v2.pdf>.

⁹⁸ See Diana G. Carew & Michael Mandel, Progressive Policy Institute, *U.S. Investment Heroes of 2013: The Companies Betting on America's Future*, at 2-4 (Sept. 2013), http://www.progressivepolicy.org/wp-content/uploads/2013/09/2013.09-Carew-Mandel_US-Investment-Heroes-of-2013.pdf.

⁹⁹ White House Office of Science and Technology Policy & The National Economic Council, *Four Years of Broadband Growth*, at 2 (June 2013).

¹⁰⁰ Press Release, PCIA – The Wireless Infrastructure Association, *Wireless Infrastructure Investment Will Generate \$1.2 Trillion in Economic Activity and Create 1.2 Million Jobs* (Sept. 19, 2013), <http://www.pcia.com/pcia-press-releases/601-wireless-infrastructure-investment-will-generate-1-2-trillion-in-economic-activity-and-create-1-2-million-jobs>.

invest in new technologies, including FTTN and others, that improve the quality of their broadband services.”¹⁰¹ Indeed, contrary to the picture some have painted of DSL as a defunct service, between December 2008 and December 2012, DSL-based broadband connections grew at an average annual rate of 25 percent, *exceeding cable broadband’s pace of growth at an average annual rate of 18 percent.*¹⁰² Dr. Israel notes that “DSL is broadly deployed and the Commission considers it an effective broadband option.”¹⁰³ As Comcast has documented elsewhere, numerous DSL providers offer speeds equal to or exceeding the Commission’s broadband speed threshold at affordable prices.¹⁰⁴ For example, Verizon offers DSL service at speeds up to 15 Mbps, Frontier offers speeds up to 25 Mbps, and CenturyLink offers speeds up to 40 Mbps. And AT&T, CenturyLink, Frontier, and others are investing significantly in upgrading DSL service through new technologies such as VDSL2 and pair bonding.¹⁰⁵

Consider AT&T in particular – the largest telecommunications company in the United States (by revenues). AT&T’s DSL and FTTN U-verse services significantly overlap both Comcast and TWC – with U-verse currently provisioned at speeds up to 45 Mbps downstream – and AT&T has affirmed its plans to continue to enhance and expand these services. AT&T is currently in the middle of a three-year \$6 billion investment plan (called Project Velocity IP

¹⁰¹ Israel Decl. ¶ 57.

¹⁰² *Id.* ¶ 60. December 2012 is the most recent date for which FCC-reported data are available.

¹⁰³ *Id.*

¹⁰⁴ See Letter from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs and Senior Deputy General Counsel, Comcast Corp., to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56, Ex. A, Pt. 3 (Feb. 21, 2014) (detailing competitive standalone HSD options in Comcast’s top 30 markets).

¹⁰⁵ See *id.* CenturyLink represents the type of multifaceted investment ongoing today by wireline providers: “We have utilized and continued to utilize a balanced capital investment approach, including gigabit fiber, VDSL2, and pair bonding deployments to efficiently enable higher speeds, enhanced services to consumers and businesses in our markets.” CenturyLink, Inc., Q4 2013 Earnings Call, Tr. at 5 (Feb. 12, 2014); see also Robert W. Starr, Treasurer & SVP, Frontier Commc’ns Corp., Goldman Sachs TMT Leveraged Finance Conference, Tr. at 5 (Mar. 19, 2014) (noting Frontier is “compet[ing] against [cable] today on the residential and on the small business side and we’re taking share away from them on the residential side [W]e think that our opportunities against the cable companies continue to be a very good one.”).

(“Project VIP”)) to expand its U-verse service to 33 million homes.¹⁰⁶ Dr. Israel notes that, “outside the U-verse footprint, AT&T will also upgrade ATM-DSLAMS to IP-DSLAMS for another 24 million households, allowing it to achieve speeds as high as 45 Mbps.”¹⁰⁷ And AT&T plans to offer speeds as high as 100 Mbps in the future.¹⁰⁸ As AT&T’s CEO Randall Stephenson has aptly described it, cable and telcos will be in an incessant “dogfight” for the next 20 years when it comes to broadband competition:

Somebody invests in technology and it gives them an advantage and they ride it for a while. Somebody comes along and they invest. . . . [Y]ou’re just going to continue to see bandwidth improvements over time. And it’s going to be a dogfight between us and cable for the next 20 years. I don’t see that changing. They will invest and they’ll step up. We’ll invest. It’ll go back and forth. But I feel really good that we’re doing very well against cable today.¹⁰⁹

Indeed, in response to the proposed transaction, Stephenson stressed:

[W]e came into 2014 really focused on completing our VIP build that’s our network infrastructure commitment that we began a little over a year ago, and [the transaction] puts a heightened sense of urgency on the VIP build. And we’re really going to be very, very aggressive pushing hard on completing all these various areas of VIP.¹¹⁰

For its part, Verizon appears just as eager to compete with its DSL and FiOS FTTP service, which presents substantial and well-known competition to both Comcast and TWC in significant parts of their service areas. As its spokesman said in response to the announcement of the Comcast/TWC transaction: “Verizon has a history of introducing the next big thing for

¹⁰⁶ See Press Release, AT&T, AT&T to Invest \$14 Billion to Significantly Expand Wireless and Wireline Broadband Networks, Support Future IP Data Growth and New Services (Nov. 7, 2012), <http://www.att.com/gen/press-room?pid=23506&cdvn=news&newsarticleid=35661&mapcode=>.

¹⁰⁷ Israel Decl. ¶ 59.

¹⁰⁸ See *id.* ¶ 57.

¹⁰⁹ Randall Stephenson, Chairman & CEO, AT&T, Inc., Goldman Sachs 22nd Annual Communacopia Conference, Tr. at 14 (Sept. 24, 2013).

¹¹⁰ Randall Stephenson, Chairman & CEO, AT&T, Inc., Morgan Stanley Technology, Media & Telecom Conference, Tr. at 3 (Mar. 6, 2014).

our video and Internet customers. This [transaction] just changes the name of the competitor in some of our markets.”¹¹¹ Verizon’s CFO more recently affirmed:

I compete against Time Warner Cable today. I compete against Comcast today. I’ll just compete against Comcast tomorrow and the way I view it is FiOS is a superior product to any of them because it is the only one that is fiber to the prem[ises]¹¹²

While telco DSL and fiber services make up the greatest share of fixed broadband competition that Comcast and TWC face, they are by no means the only source of such competition. The combined company also will continue to face significant competitive pressures from cable overbuilders such as WOW! and RCN; new and ambitious entrants such as Google Fiber; municipal providers; fixed wireless broadband services like Verizon’s HomeFusion; and satellite broadband offered by Hughes and WildBlue¹¹³ – with Dish aggressively developing plans for spectrum-based broadband offerings.¹¹⁴

Google, for example, is now deploying a competitive fiber network in several areas of the country. Notably, on February 19, 2014, Google announced plans to quadruple the number of cities in which it provides service, potentially launching in *nine* new metro areas. Comcast or TWC has a significant presence in eight of those nine areas (which are already served by

¹¹¹ Gautham Nagesh, *Comcast Sees Time Warner Cable Deal Boosting Broadband Competition*, Wall St. J., Feb. 21, 2014, available at <http://online.wsj.com/news/articles/SB10001424052702304275304579397541413329198> (quoting Verizon spokesman Ed McFadden).

¹¹² Fran Shammo, EVP & CFO, Verizon, Deutsche Bank Media, Internet and Telecom Conference, Tr. at 13 (Mar. 10, 2014).

¹¹³ The Commission recently recognized that “[s]atellite broadband has made significant improvements in service quality.” FCC, Office of Engineering and Technology and Consumer and Governmental Affairs Bureau, 2013 Measuring Broadband America Report – February 2013, at 7, available at <http://www.fcc.gov/measuring-broadband-america/2013/February#Background>.

¹¹⁴ See, e.g., Press Release, Sprint Corp., Sprint and Dish to Trial Fixed Broadband Service (Dec. 17, 2013), <http://newsroom.sprint.com/news-releases/sprint-and-dish-to-trial-fixed-wireless-broadband-service.htm>.

multiple other MVPDs and broadband providers).¹¹⁵ This means that millions of the combined company's customers may soon have an additional choice of high-speed broadband service providers. And Google possesses the financial and technical wherewithal to expand Google Fiber to many additional markets.

Competitive forces are also present – increasingly and robustly so – via mobile wireless services offered by well-capitalized and aggressive national wireless providers. For a large number of Americans, wireless is already a meaningful broadband alternative.¹¹⁶ And it will become an increasingly effective competitor in the near future, as even bandwidth-intensive edge providers have recognized.¹¹⁷ This reality was reinforced when President Obama enlisted two wireless providers to help him achieve his goal of bringing ultra-high-speed Internet connectivity to schools and making it available to students at school, in the community, and at home.¹¹⁸ As

¹¹⁵ See John Brodtkin, *Google Fiber Chooses Nine Metro Areas for Possible Expansion*, Ars Technica, Feb. 19, 2014, <http://arstechnica.com/business/2014/02/google-fiber-chooses-nine-metro-areas-for-possible-expansion/>.

¹¹⁶ See Israel Decl. ¶¶ 61-62; Kathryn Zickuhr & Aaron Smith, Pew Research Center, *Home Broadband 2013* (Aug. 26, 2013), <http://www.pewinternet.org/2013/08/26/home-broadband-2013/> (“Pew Home Broadband 2013”).

¹¹⁷ As the head of MLB Advanced Media recently articulated in an interview, in response to the claim that “[t]he cable guys pretty much control broadband”:

How? We have telcos now. You've got wireless. The only pay TV business that's growing now is U-[v]erse and FiOS. They're owned by AT&T and Verizon. I don't think you should discount what AT&T and Verizon can do without a landline – what they can do through the air. Who knows what this is going to look like?

* * *

A lot of our people watch our live games in 4G. . . . If you watch [a] live baseball game in 4G it looks pretty good and 5G is just round the corner.

David Lieberman, *Q&A: MLB Advanced Media CEO Bob Bowman on WWE Network, Sony's Virtual Pay TV Plans, and What's Next for Streaming Video*, Deadline (Jan. 21, 2014), <http://www.deadline.com/2014/01/qa-mlb-advanced-media-ceo-bob-bowman-on-wwe-network-sonys-virtual-pay-tv-plans-and-whats-next-for-streaming-video/> (quoting Bob Bowman).

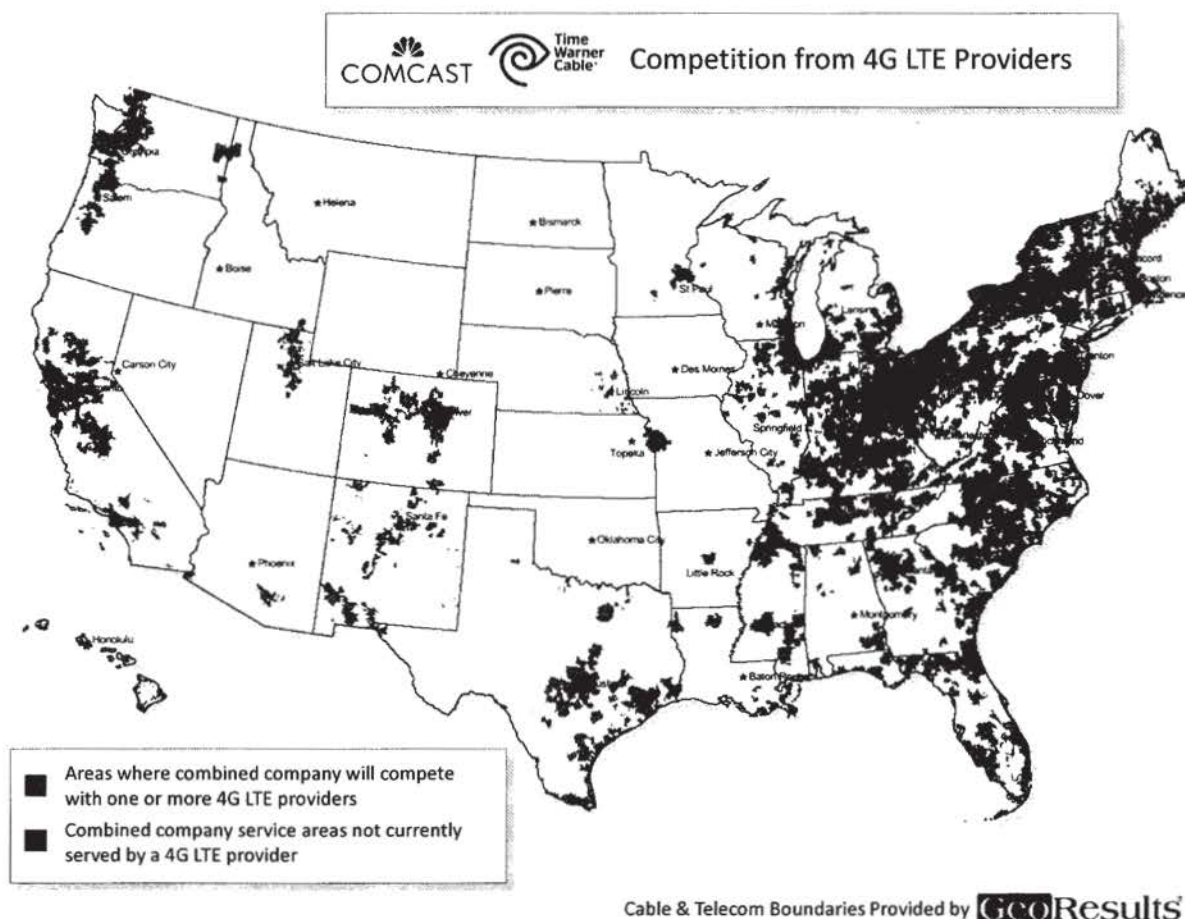
¹¹⁸ Karl Bode, *AT&T, Sprint Promise Free Wireless Service for Schools*, DSL Reports (Feb. 4, 2014), <http://www.dslreports.com/shownews/ATT-Sprint-Promise-Free-Wireless-Service-for-Schools-127609>. President Obama previously noted “innovative new mobile technologies hold the promise for a virtuous cycle – millions of consumers gain faster access to more services at less cost, spurring innovation, and then a new round of consumers benefit from new services. The wireless revolution has already begun with millions of American taking advantage of wireless access to the Internet. . . . In order to achieve mobile wireless broadband's full potential, we need an

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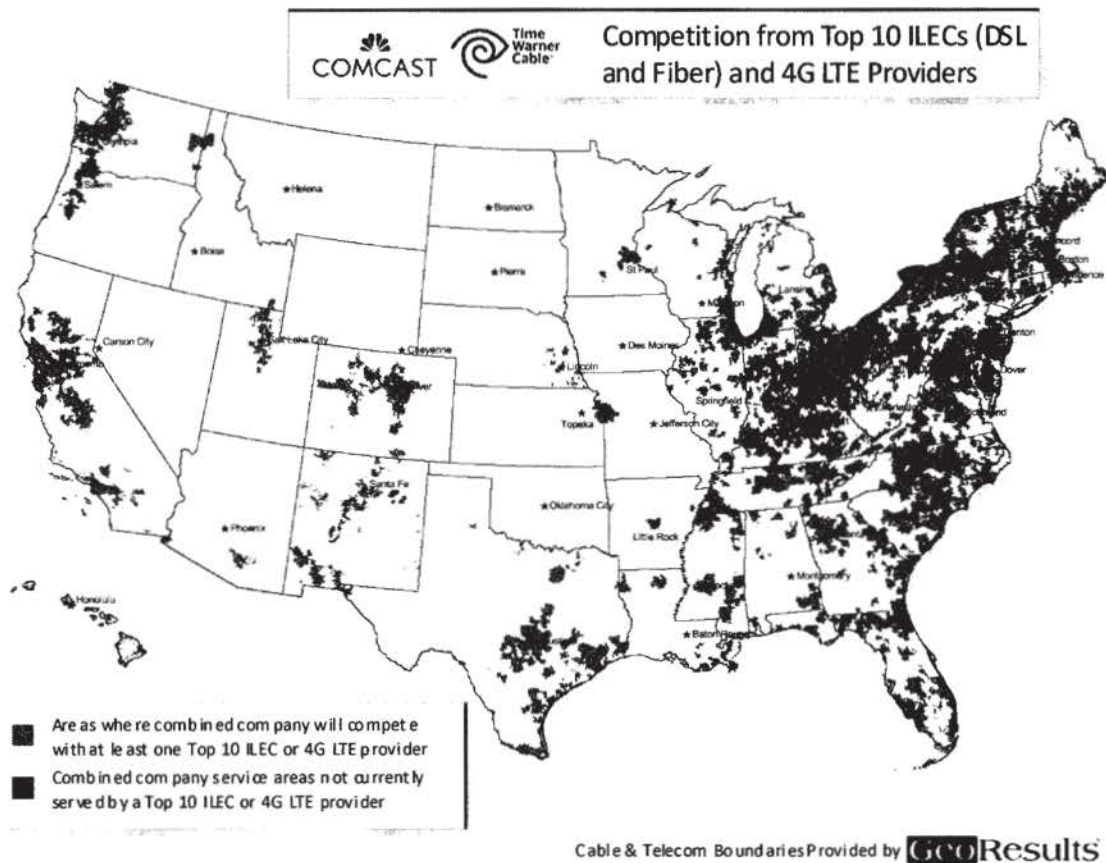
wireless data speeds and capacity continue to increase substantially with the deployment of advanced services – including LTE, LTE-Advanced, and beyond – wireless broadband service will increasingly become even more competitive with wireline broadband.¹¹⁹ These developments will further enhance competition and benefit Comcast and TWC customers, virtually all of whom currently have access to 4G LTE service as illustrated in the map below. More specifically, the orange in the map represents those parts of the combined service areas of Comcast and TWC where a 4G LTE provider offers Internet access service. The red shows the very few areas not currently served by a 4G LTE provider.

environment where innovation thrives” Office of the Press Secretary, Presidential Memorandum, *Unleashing the Wireless Broadband Revolution* (June 28, 2010), <http://www.whitehouse.gov/the-press-office/presidential-memorandum-unleashing-wireless-broadband-revolution>.

¹¹⁹ Wireless providers see wireline providers as competition: Randall Stephenson, Chairman and CEO of AT&T, also observed that this transaction would spur AT&T’s advanced wireless build-out as well as its wired build-out. Randall Stephenson, Chairman & CEO, AT&T, Inc., Morgan Stanley Technology, Media & Telecom Conference, Tr. at 3 (Mar. 6, 2014).



Moreover, when one considers the near-ubiquitous availability of top-10 ILECs plus 4G LTE providers, there are virtually no areas of the combined Comcast and TWC services areas where customers do not have one of these options, as shown in the map below.

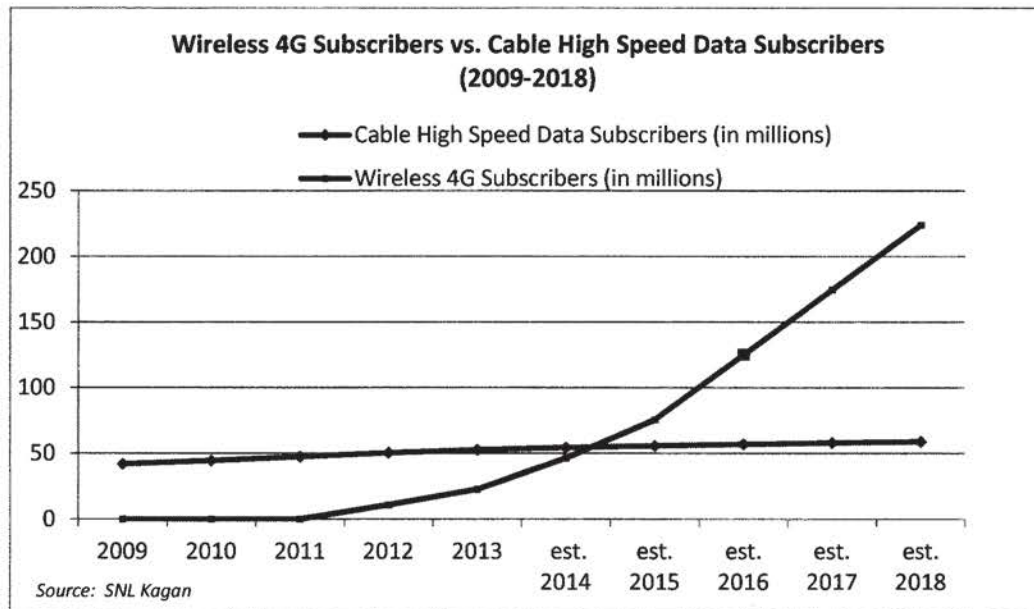


The Commission has repeatedly recognized the possibility of significant wireless broadband substitution – including in the *Adelphia Order* in 2006, the National Broadband Plan in 2010, and the most recent 706 Notice of Inquiry – as has the Department of Justice.¹²⁰ Similarly, as Dr. Israel notes, the cable industry is well aware of the possibility of material

¹²⁰ *Adelphia Order* ¶ 218 (noting the possibility that cable broadband would lose market share from emerging wireless broadband competitors); FCC, *Connecting America: The National Broadband Plan*, at 40–43 (2010), available at <http://www.broadband.gov/download-plan/> (discussing possibility of wireless substitution); *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, Ninth Broadband Progress Report Notice of Inquiry, 27 FCC Rcd. 10523 ¶ 42 (2012) (“[H]igh speed, high quality, and mobility are all important characteristics of broadband service today. To what extent do Americans currently subscribe to mobile broadband as their only form of Internet access, and what demographic or geographic differences correlate with this choice?”); *Ex Parte* Submission of the U.S. Dep’t of Justice, GN Docket No. 09-51, at 10 (Jan. 4, 2010) (“It is premature to predict whether the wireless broadband firms will be able to discipline the behavior of the established wireline providers, but early developments are mildly encouraging. Notably, the fact that some customers are willing to abandon the established wireline providers for a wireless carrier suggests that the two offerings may become part of a broader marketplace.”).

mobile broadband substitution for cable broadband within the next few years.¹²¹ With the increasing ubiquity of 4G wireless connectivity and the multitude of enabled devices including smartphones and tablets, these predictions are increasingly becoming a reality.

Looking out to 2018, SNL Kagan predicts that there will be 224 million unique 4G subscriptions active in the United States, up from 22.6 million at year end 2013.¹²²



That is – literally – an order of magnitude of growth over a five-year period, easily lapping the growth of cable broadband service during the past five years (and predicted growth over the next five).¹²³ And 4G wireless broadband technology can deliver speeds that rival those of wireline cable and telco companies – well over 50 Mbps downstream (and averaging in the double

¹²¹ See Israel Decl. ¶¶ 64-65 ([I

II).

¹²² SNL Kagan, Covered Pops & Subscribers by Technology in U.S. Wireless (July 2013). Similarly, Cisco predicts the number of 4G connections in North America in 2018 to be 372 million. *Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2013-2018*, at 36 (2014).

¹²³ See SNL Kagan, U.S. Multichannel Industry Benchmarks (detailing the number of cable high speed data subscribers since 2009 and estimating the number of subscribers through 2018).

digits).¹²⁴ Recognizing this enormous marketplace opportunity, Masayoshi Son, Chairman and CEO of SoftBank, recently observed that “[u]p to now wireless was much slower speed, more expensive, so it was not [an] alternative . . . But I’d like to give [it] a shot. . . . The cable that you are getting on the average in the States is 50 megabits per second I’d like to provide up to 200 megabits per second[.]”¹²⁵ As Dr. Israel explains, while pricing for wireless broadband plans with substantial data usage is higher than for other broadband services today, these prices have and will continue to come down over time as wireless providers achieve more capacity.¹²⁶ And, for many lighter broadband users, this is not an issue even today.

ii. Edge Providers Will Benefit from the Transaction.

As the Commission has recognized, speed and reliability in the last-mile and in the backbone spur innovation at the edges and all along the network, which in turn feeds consumer demand for broadband *and* edge services. Broadband investment in last mile and backbone transit facilities, for example, has provided the speeds and reduced transport costs to make possible what Chairman Wheeler described as “tremendous growth in the online video market,” nearly tripling revenues for online video between 2010 and 2012.¹²⁷ Indeed, in emphasizing the “impact of Internet video,” Commissioner Pai has noted that the “largest Internet video provider,

¹²⁴ Sascha Segan, *Fastest Mobile Networks 2013*, PCMag, June 17, 2013, <http://www.pcmag.com/article2/0,2817,2420334,00.asp>; Israel Decl. ¶ 61.

¹²⁵ Masayoshi Son, CEO, SoftBank Corp., *The Promise of Mobile Internet in Driving American Innovation, the Economy and Education*, Tr. at 12 (Mar. 11, 2014), http://cdn.softbank.jp/en/corp/set/data/irinfo/presentations/vod/2013/pdf/press_20140311_02.pdf.

¹²⁶ See Israel Decl. ¶ 67 (“As more spectrum is released (e.g., through the upcoming 600 MHz incentive auction) and average spectral efficiency continues to improve through broader LTE deployment and advances in LTE technology, the associated increase in the capacity of wireless networks will put downward pressure on the cost and price per gigabyte on wireless networks. . . . Due to these declines in cost and thus price per gigabyte, wireless broadband will likely become an increasingly economical alternative in coming years, including higher usage levels as wireless networks progress.”) (citations omitted).

¹²⁷ FCC, Fact Sheet: Internet Growth and Investment (Feb. 19, 2014), http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0219/DOC-325653A1.pdf.

Netflix, has more American subscribers than any single cable or satellite operator.”¹²⁸ In the *Open Internet Order*, the Commission aptly described this dynamic as “a virtuous circle of innovation in which new uses of the network – including new content, applications, services, and devices – lead to increased end-user demand for broadband, which drives network improvements, which in turn lead to further innovative network uses.”¹²⁹ The Commission went on to explain that

[n]ovel, improved, or lower-cost offerings introduced by content, application, service, and device providers spur end-user demand and encourage broadband providers to expand their networks and invest in new broadband technologies. Streaming video and e-commerce applications, for instance, have led to major network improvements such as fiber to the premises, VDSL, and DOCSIS 3.0. These network improvements generate new opportunities for edge providers, spurring them to innovate further.¹³⁰

By virtue of the better broadband speeds and services and increased competition this transaction will produce across the combined company’s footprint, the Internet ecosystem as a whole will benefit. Edge providers in particular will have better tools with which to build novel services. The last-mile improvements that the combined company will bring to customers more quickly than either company could do on its own will provide an even stronger foundation for new, powerful apps and services that are dependent upon higher-quality, reliable broadband networks and Wi-Fi gateways to reach and serve customers, such as distance learning, home security, remote healthcare, and others. As Dr. Israel explains, the improvements in broadband services that will arise from this transaction will trigger this virtuous cycle of innovation.¹³¹ As

¹²⁸ Keynote Address of FCC Commissioner Ajit Pai, FICCI Frames 2014 (Mar. 12, 2014), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0312/DOC-326016A1.pdf.

¹²⁹ *Preserving the Open Internet; Broadband Industry Practices*, Report and Order, 25 FCC Rcd. 17905 ¶ 14 (2010) (“*Open Internet Order*”).

¹³⁰ *Id.*

¹³¹ See Israel Decl. ¶¶ 163-66.

the combined company's broadband service improves more rapidly than it otherwise would (especially in the acquired systems), it will enable increased quality of edge services, which will increase the value of broadband for end-users. Because edge providers are available to all ISPs, edge provider improvements that are spurred by the combined company's broadband investments will in turn create additional incentives for other ISPs to improve their own broadband services.¹³²

Investors in tomorrow's edge providers are well aware of the virtuous cycle of innovation brought about by successive leaps forward in broadband speed and quality. Indeed, venture capitalists and others consistently argued for the last decade that certain services and apps required better wired or wireless broadband before they could be rolled out and achieve viability.¹³³ As economist Ev Ehrlich recently observed, edge providers capture the benefits of broadband innovation most directly, because "companies that use the broadband Internet make six to eight times the margins of the companies who provide it."¹³⁴

¹³² See *id.*

¹³³ See Peter Grant & Bruce Orwall, *After Internet's Big Bust, Broadband Shift Went On*, Wall St. J., Jan. 8, 2003, available at <http://online.wsj.com/news/articles/SB1041979000108173904> (John Doerr of Kleiner Perkins: "There's no question that broadband enables paid-for-content business models."); *id.* (Disney Internet Group President Steve Wadsworth on why ABC and ESPN websites were launching new video technology in 2003 as compared to the Dot Com bust: "We're getting to critical mass in broadband."); *id.* (Peter Murphy, Disney's strategic planning chief: "We are 20% into the development of broadband . . ."); Josephine Moulds, *Boom, boom. Dotcoms Are Back in the Frame*, Telegraph, Apr. 20, 2007, available at <http://www.telegraph.co.uk/finance/markets/2807599/Boom-boom.-Dotcoms-are-back-in-the-frame.html> (Judy Gibbons of Accel: "A whole industry infrastructure has been established, there are millions of users, people are consuming online versus offline. It's become very mainstream and therefore there are still lots of opportunities to both transform existing business and create new applications that are only possible with broadband internet, like social networking."); see also *Hearing on The American Clean Energy Security Act of 2009: Before the Subcomm. on Energy & Env't of the H. Comm. on Energy & Commerce*, 111th Cong. 1245 (Apr. 24, 2009) (remarks of Rep. Edward Markey) ("[I]n 1996, we went from a point where not one home in America had broadband in 1996, not one home, to a point where, 10 years later, there is a whole new vocabulary, YouTube, Google, eBay, Amazon, Hulu, thousands of companies, millions of new jobs. They didn't exist because the market wasn't there before 1996 for broadband. It was all narrowband.").

¹³⁴ Ev Ehrlich, *Who Holds the Cards Online*, San Jose Mercury News, Mar. 8, 2014, available at http://www.mercurynews.com/opinion/ci_25291788/ev-ehrich-who-holds-cards-online (calculating that "[t]he (average weighted) rate of profit on sales for 'providers' is 3.7 percent, versus 24.4 percent for 'residers'").

Finally, as further discussed in Section V.D.1 below, Comcast is now the only company legally bound by the no-blocking and non-discrimination rules in the FCC's *Open Internet Order*, in the wake of the recent D.C. Circuit decision vacating these rules. It is subject as well to unique restrictions on offering, and how it offers, "specialized services." This transaction, therefore, will spread the reach of those protections to all of TWC's customers. The Open Internet rules were designed to establish baseline requirements to foster the virtuous cycle of innovation involving edge providers and to provide consumers and edge providers some important certainty.¹³⁵

Accordingly, not only will this aspect of the transaction address and prevent any of the putative competitive harms certain parties may allege regarding edge providers, but application of these Open Internet rules to all of TWC's cable systems is an immediate and substantial public interest benefit that approval of this transaction will extend to millions of additional consumers.

c. The Transaction Will Accelerate and Expand Broadband Adoption Efforts to Reduce the Digital Divide.

One of the most pressing challenges facing this country is the significant broadband adoption gap – known as the "digital divide." The combination of Comcast and TWC will demonstrably advance the goal of bringing all Americans into the digital communications age by extending Comcast's landmark *Internet Essentials* broadband adoption program to TWC's territories, and building upon TWC's efforts. By extending and expanding the Comcast program

¹³⁵ As Chairman Wheeler recently put it, the D.C. Circuit affirmed that "the Commission was justified in concluding that an open Internet would further the interest of broadband deployment by enabling the virtuous cycle of innovation that unites the long-term interests of end-users, broadband networks[,] and edge-providers." Prepared Tom Wheeler, Chairman, FCC, Remarks at Silicon Flatirons (Feb. 10, 2014), *available at* <http://www.fcc.gov/document/fcc-chairman-tom-wheeler-remarks-silicon-flatirons> (discussing *Verizon v. FCC*). Likewise, Commissioner Clyburn has stated that "clear rules of [the] road are absolutely necessary for consumers . . . broadband providers, and other users of the Internet to be able to further innovate and invest." Press Release, FCC, Statement By FCC Commissioner Mignon L. Clyburn on Chairman Genachowski's Circulation of a Draft Order Preserving the Open Internet (Dec. 1, 2010), *available at* http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-303145A1.pdf.

to reach new geographic areas – including large metropolitan and rural areas – the transaction will help to connect many thousands of additional low-income households to today’s high-speed Internet.

The Pew Research Center’s latest survey report, *The Web at 25 in the U.S.*, notes the “explosive adoption” of Internet connectivity since 1995 and “its wide-ranging impacts on everything from[] the way people get, share, and create news; the way they take care of their health; the way they perform their jobs; the way they learn; the nature of their political activity; their interactions with government; the style and scope of their communications with friends and family; and the way they organize in communities.”¹³⁶

According to the most recent statistics, a large majority of Americans have already embraced broadband – in their homes, at their work places, and on the go with mobile devices. Eighty-seven percent of American adults now use the Internet.¹³⁷ About 70 percent of American homes are connected to wired broadband,¹³⁸ and the residential penetration figure rises to 80 percent when wireless-only broadband homes are added.¹³⁹

But as policymakers well understand, these statistics mean that tens of millions of Americans still remain out of the broadband loop. Beyond the sheer number of disconnected Americans in the aggregate, there are disheartening demographic distinctions. Pew reports that

¹³⁶ Susannah Fox & Lee Rainie, Pew Research Center, *The Web at 25 in the U.S.* 4 (Feb. 27, 2014), available at http://www.pewinternet.org/files/2014/02/PIP_25th-anniversary-of-the-Web_022714_pdf.pdf.

¹³⁷ *Id.* at 5 (noting near-saturation usage among those living in households earning \$75,000 or more (99%), young adults ages 18-29 (97%), and those with college degrees (97%)).

¹³⁸ See *Pew Home Broadband 2013*, at 2 (Aug. 26, 2013); NTIA & Econ. & Statistics Admin, *Exploring the Digital Nation: America’s Emerging Online Experience* at 2 (June 7, 2013), available at http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_-_americas_emerging_online_experience.pdf (“Approximately 69 percent of households used broadband Internet at home (72 percent if including dial-up) in July 2011.”).

¹³⁹ *Pew Home Broadband 2013* at 4.

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there are “notable differences in adoption” among those lacking higher-level educational degrees, those in lower income households, and those aged 65 and older.¹⁴⁰ Minority adoption rates also lag behind.¹⁴¹ Chairman Wheeler explained correctly that “having a significant percentage of Americans bypassed by the Internet revolution is unacceptable. We can’t maximize economic growth and job creation when 20 percent of our population is cut off from the digital economy at home.”¹⁴² Commissioner Michael O’Rielly has similarly emphasized the importance of “ensur[ing] that *all* Americans have access to modern communications networks.”¹⁴³ Noting that “certain populations find themselves disproportionately on the wrong side of the digital divide,” Commissioner Mignon Clyburn likewise recognized that “broadband adoption is critical for full participation in today’s economy.”¹⁴⁴

The primary barriers to broadband adoption have been fairly well identified as the following: (1) perceived lack of relevance of the Internet to the lives of individual consumers, (2) the lack of “digital literacy” in consumers’ understanding of how to use the technology, and (3) the price of getting online (primarily the cost of a computer, but also the cost of service as

¹⁴⁰ *The Web at 25*, at 17. For example, one of the most important determinants of low adoption is education – only 37 percent of Americans without a high school diploma have adopted broadband, while college graduates have an 89 percent adoption rate. *Pew Home Broadband 2013* at 3.

¹⁴¹ According to Pew, 74 percent of white Americans have broadband at home, but only 64 percent of African Americans and 53 percent of Hispanic Americans have the same high-speed connections. *Pew Home Broadband 2013*, at 5.

¹⁴² Tom Wheeler, Chairman, FCC, Remarks at The Ohio State University, Columbus, Ohio 5 (Dec. 2, 2013), available at <http://www.fcc.gov/document/remarks-fcc-chairman-tom-wheeler-ohio-state-university>.

¹⁴³ *Technology Transitions*, Order, GN Docket No. 13-5 (Jan. 30, 2014) (statement of Comm’r Michael O’Rielly), available at http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0130/DOC-325345A6.pdf (emphasis added).

¹⁴⁴ Mignon Clyburn, Acting Chairwoman, FCC, Prepared Remarks at National Urban League Washington/Urban Solutions Forum: Advancing a Broadband Agenda for Urban America (Oct. 30, 2013), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-323813A1.pdf.

well).¹⁴⁵ As explained below, Comcast has engaged in an unprecedented effort to address and overcome each of these barriers in an attempt to eliminate the digital divide.

Comcast Internet Essentials. Comcast shares the Commission’s concern about broadband adoption, and has dedicated significant resources to closing the gap. The company’s *Internet Essentials* initiative is the nation’s largest and most comprehensive broadband adoption program and is specifically designed to systematically address the primary barriers to broadband adoption noted above. Working in concert with community partners and local elected officials, Comcast developed the *Internet Essentials* program to help low-income Americans begin to overcome these obstacles. The program is in keeping with Comcast’s corporate ethos, which emphasizes community service generally – and an achievement record that ranks the company among the nation’s best in commitment to community service.¹⁴⁶

Internet Essentials provides low-income households with low-cost broadband service for \$9.95 a month and the option to purchase an Internet-ready computer for under \$150. In addition, *Internet Essentials* offers multiple options for accessing free digital literacy training in print, online, and in-person – whether the individual is officially enrolled in the program or not.¹⁴⁷ In the first two and a half years of its existence, *Internet Essentials* has connected more

¹⁴⁵ Kathryn Zickuhr, Pew Research Center, *Who’s Not Online and Why 2* (Sept. 25, 2013), http://www.pewinternet.org/~media/Files/Reports/2013/PIP_Offline%20adults_092513_PDF.pdf.

¹⁴⁶ See Charisse Lillie, *Comcast Ranks Among Top 50 Companies for Commitment to Community*, Comcast Voices (Dec. 5, 2013), <http://corporate.comcast.com/comcast-voices/comcast-ranks-among-top-50-companies-for-commitment-to-community>; see also *2013 Results*, The Civic 50, http://www.civic50.org/2013_results.php (last visited Mar. 30, 2014); *Comcast-NBCUniversal Order*, 25 FCC Rcd. at 4514-15 (Statement of Comm’r Mignon Clyburn) (explaining that “[t]he adoption initiative . . . is well-crafted, ambitious, and has enormous potential. By offering the possibility of affordable, high-speed broadband to families . . . not only will school-age children be able to explore the infinite worlds of the web, but the others in their homes will be able to join them.”).

¹⁴⁷ See *Getting Started with the Internet*, Internet Essentials, <http://learning.internetessentials.com/tour/getting-started-internet> (last visited Apr. 5, 2014).

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than 1.2 million low-income Americans, or 300,000 families, to the power of the Internet at home.

Helping people successfully cross the digital divide requires ongoing outreach. To increase awareness of the *Internet Essentials* program, Comcast has made significant and sustained efforts within local communities. To date, those outreach efforts have included:

- Distributing over 33 million brochures to school districts and community partners for free (available in 14 different languages);
- Broadcasting more than 3.6 million public service announcements with a combined value of nearly \$48 million;
- Forging more than 8,000 partnerships with community-based organizations, government agencies, and elected officials at all levels of government;

Other significant milestones for Comcast's *Internet Essentials* program include:

- Offering *Internet Essentials* in more than 30,000 schools and 4,000 school districts in 39 states and the District of Columbia to spread the word and help bring more families online;
- Investing more than \$165 million in cash and in-kind support to help fund digital literacy initiatives nationally, reaching more than 1.6 million people through Comcast's non-profit partners;
- Fielding 1.9 million phone calls to the *Internet Essentials* call center;
- Welcoming 1.8 million visitors to the *Internet Essentials* websites, which supply information in both English and Spanish, and the Online Learning Center; and
- Providing more than 23,000 subsidized computers at less than \$150 each.

Moreover, the program has not remained static. As Comcast has gained insights from hands-on experience, it has consistently implemented significant enhancements to *Internet Essentials* along the way. As a result, the program has grown well beyond the company's original commitment in the NBCUniversal transaction. These enhancements include:

- Eligibility criteria expanded – Comcast has expanded *Internet Essentials*' eligibility criteria twice, first by extending it to families with children eligible to receive reduced-

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price school lunches, and then by offering it to parochial, private, cyberschool, and homeschooled students. As a result, nearly 2.6 million families nationwide are now eligible for *Internet Essentials*, an increase of nearly 25 percent.

- Broadband speeds increased – Comcast increased the program’s broadband speeds twice in less than two years (from 1.5 to 3 to 5 Mbps downstream), and *Internet Essentials* families now receive downstream speeds of 5 Mbps and upstream speeds of 1 Mbps.
- Instant approval process expanded – Comcast expanded an instant approval process for families whose students attend schools with 70 percent or more National School Lunch Program participation (previously, the threshold was 80 percent), which further increased participation rates.
- Online support enhanced – Comcast created an online application tool on the program’s English- and Spanish-language websites to make it easier and faster for a family to apply.
- Partner support facilitated – Comcast’s community partners now may help connect low-income families to the Internet by purchasing “Opportunity Cards” that help defray the cost of the service. And Comcast launched a program that gives third parties such as schools and community-based organizations the ability to purchase *Internet Essentials* service and equipment in bulk for families in their community.
- Registration process expanded – Comcast conducts on-site registration during *Internet Essentials* events all over the country.
- Residential moves supported – Comcast updated the “transfer of service” process for *Internet Essentials* customers, which now allows customers to move their accounts to a new home address in a Comcast service area without having to re-apply for the program.

Thanks to all of these efforts, *Internet Essentials* is doing exactly what it was designed to do, as confirmed by two surveys compiled from families who participate in the program.¹⁴⁸

Approximately 98 percent of participants in one survey reported that their school-age children used the *Internet Essentials* service for school assignments.¹⁴⁹ Of that group, 94 percent felt

¹⁴⁸ See Letter from Lynn R. Charytan, Senior Vice President, Legal Regulatory Affairs and Senior Deputy General Counsel, Comcast Corp., to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56, at 10-11 (July 31, 2013) (“IE Report”) (detailing results of survey of *Internet Essentials* customers); see also Dr. John B. Horrigan, *The Essentials of Connectivity* (Mar. 2014) (“Horrigan Report”), available at <http://corporate.comcast.com/news-information/news-feed/internet-essentials-2014>.

¹⁴⁹ IE Report at 11; see also Horrigan Report at 2.

Internet Essentials had a positive impact on their child's grades.¹⁵⁰ About 85 percent of respondents said they use *Internet Essentials* to go online on a daily basis.¹⁵¹ Overall, 90 percent of *Internet Essentials* customers in the survey were "highly satisfied" with the service, and 98 percent said that they would recommend *Internet Essentials* to others. A subsequent survey of *Internet Essentials* participants found that 90 percent said access to the Internet helps them with schoolwork; 59 percent said that the Internet helps them get access to government services; and 57 percent indicated that the Internet helped them with job searches.¹⁵²

An Expanded Commitment. The combined company will be well-positioned to work proactively with the Commission and community leaders to address broadband adoption challenges and opportunities. Comcast's voluntary broadband adoption commitment under the *Comcast-NBCUniversal Order* expires this summer, when the program completes three full years. But Comcast's commitment to this cause is stronger than ever. That is why Comcast recently announced that it will *extend the Internet Essentials program indefinitely* and enhance it

¹⁵⁰ IE Report at 11.

¹⁵¹ *Id.*

¹⁵² Horrigan Report at 3. TWC also has undertaken broadband adoption efforts in recent years. TWC has offered an entry-level "Everyday Low Price" broadband access service for \$14.95 per month, as well as its Starter Internet program targeted to schools in several areas in its footprint, which provided eligible families a basic tier of broadband service for two years for \$10/month. See Mike Robuck, *Time Warner Boots Up Wi-Fi Hotspots, Starter Internet Tier in K.C.*, CED, Nov. 30, 2012, <http://www.cedmagazine.com/news/2012/11/time-warner-boots-up-wi-fi-hotspots-starter-internet-tier-in-kc>. Ultimately, 486 schools participated in the pilot program, which ended in January 2013. TWC also has been actively engaged in a variety of other broadband adoption and digital literacy efforts through partnerships with non-profit and community organizations. For example, in partnership with the nation's largest civil rights organizations, TWC carried \$1 million worth of PSAs in key markets throughout 2012-2013 to promote the importance of broadband. The PSAs were carried in English, Spanish, and five other languages and were prepared by the Broadband Opportunity Coalition ("BBOC"). BBOC's members include: National Urban League, NAACP, National Council of La Raza, Asian American Justice Center, and League of United Latin American Citizens ("LULAC"). TWC has also partnered with the McCain Internet Empowerment Project, a non-profit initiative that brings broadband service and computer accessibility to senior citizens. TWC has provided computers and broadband connectivity at the Wilson Senior Center and eight other assisted-living facilities to expand digital literacy among senior citizens. And TWC has partnered with LULAC to support technology centers at LULAC locations that provide training, technology, and support services in the Latino communities served by the company.

in various ways, for example, by optimizing the online application tool.¹⁵³ Thanks to this upgrade, families will be able to complete the online *Internet Essentials* application form via a mobile device and upload their eligibility documentation through the website.

In addition, Comcast recently made grants totaling more than \$1 million to 15 communities to create “*Internet Essentials* Learning Zones.”¹⁵⁴ The grants are part of Comcast’s multifaceted Gold Medal Recognition Program for communities that have done the most to help close the digital divide. Learning Zones will bring together the non-profit community, schools, and Comcast to create a continuum of connectivity during the day, after school, and at home. As part of these efforts, Comcast offered an opportunity for all eligible families in these communities, as well as five additional “most improved” communities to receive free *Internet Essentials* service for six months if they registered with the program during a three-week period in March.¹⁵⁵ More than 4,300 low-income families registered and are now connected to the Internet at home.

When this transaction is approved, this program will apply to all of the communities in the TWC markets, thereby extending *Internet Essentials*’ reach into 19 out of 20 of the nation’s largest cities. Thus, a tangible and far-reaching benefit of this transaction, effective upon approval by the Commission, will be to make the power of broadband and the Internet available to many more low-income families and help reduce the unacceptable digital divide in the country.

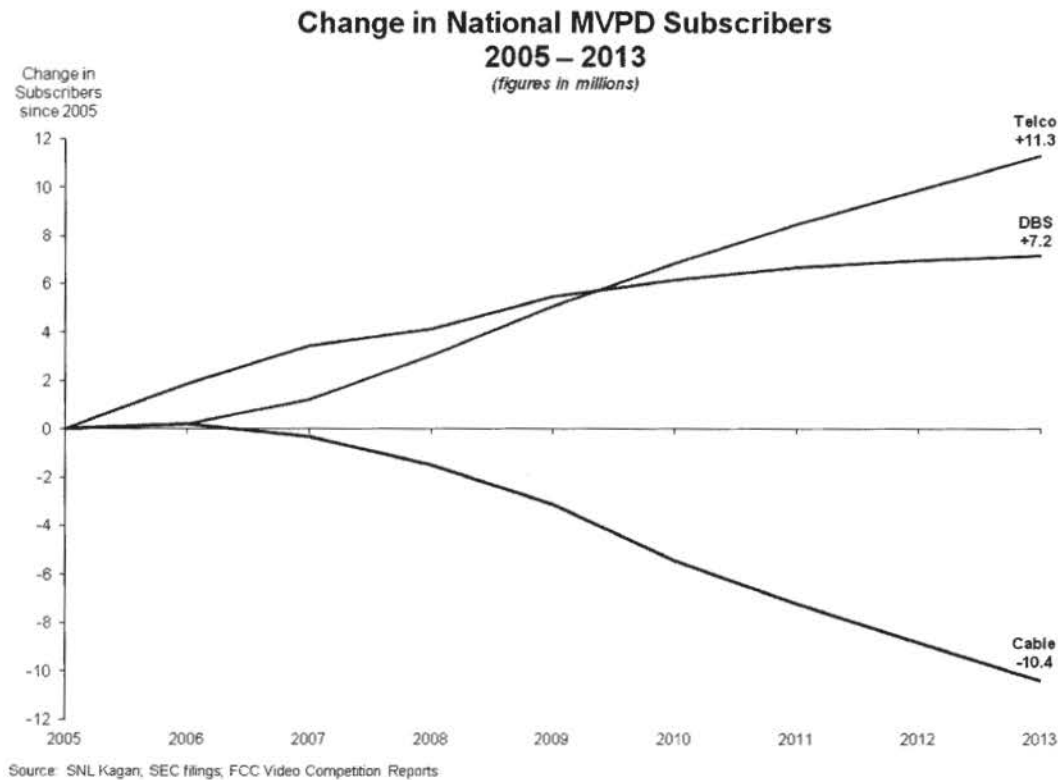
¹⁵³ Press Release, Comcast Corp., Comcast Extends National Broadband Adoption Program for Low-Income Families (Mar. 4, 2014), <http://corporate.comcast.com/news-information/news-feed/internet-essentials-2014>.

¹⁵⁴ See *id.*

¹⁵⁵ Initially, the application and approval deadline for complimentary Internet service was March 15, 2014. Comcast subsequently extended the deadline.

2. The Transaction Will Accelerate Deployment of Advanced Video Technologies and the Development of New and Innovative Video Products and Services.

As video competition from satellite, telcos, overbuilders, and others continues to mount, established cable operators across the nation continue to lose subscribers, even as overall video subscriber figures grow. Since 2009 alone, after the court rejected the Commission's 30 percent cable horizontal ownership rules for the second time, the two DBS providers have added another 1.7 million subscribers, the telco MVPDs have added another 6.2 million subscribers, while cable companies have *lost* 7.3 million subscribers. And if one goes back to 2005, as illustrated in the chart below, the increase in MVPD competition is even more pronounced:



To meet this challenge head-on, Comcast has invested billions to reinvigorate its services

(e.g., by transitioning to all-digital and deploying the X1 platform) and develop new ones.¹⁵⁶ Indeed, Comcast's recent "positive video subscriber result [for the 4th quarter of 2013], coming as it does when their video penetration of homes passed has fallen . . . is testament not to a 'good quarter' but instead to a good half-decade of hard work and heavy lifting."¹⁵⁷ This hard work and commitment is what led to the company's notable improvements, reflected in the Fortune and J.D Power surveys noted above. Adding scale to Comcast's leadership and expertise will produce a significant and galvanizing combination.

A larger video customer base will facilitate accelerated investment by reducing the effective costs of innovation on a per-subscriber basis.¹⁵⁸ According to Dr. Israel, "[b]y allowing the combined firm to amortize fixed cost investments over a larger base of customers, the transaction is likely to generate new investment and innovation that would not have been profitable absent the transaction. The economic logic behind this conclusion is simple and well established."¹⁵⁹ As a result, the combined company will be better able to take risks on developing and deploying advanced video products and services to all of its customers, a fact that the FCC has consistently recognized is a public interest benefit in similar transactions.¹⁶⁰

As in the broadband space, investing in the video platform and video technologies in turn

¹⁵⁶ Angelakis Decl. ¶ 26. Comcast appears to recently have stanchied the flow (and even gained customers in the most recent quarter), in large part because of its innovative products. See MoffettNathanson Research, Comcast Q4 2013: Boardwalk Empire (Jan. 28, 2014); see also Trefis Team, *The Latest Deal with Sony Pictures Highlights Comcast's Efforts to Push Its On-Demand and Streaming Services*, Forbes, Mar. 12, 2014, available at <http://www.forbes.com/sites/greatspeculations/2014/03/12/the-latest-deal-with-sony-pictures-highlights-comcasts-efforts-to-push-its-on-demand-and-streaming-services/> ("Comcast has been successful in trimming the subscriber losses in the past few quarters and we believe this was partly due to its advanced offerings that include X1/X2 platform and Xfinity Streampix services.").

¹⁵⁷ MoffettNathanson Research, *supra* note 156 at 2.

¹⁵⁸ See Rosston/Topper Decl. ¶¶ 85-94.

¹⁵⁹ Israel Decl. ¶ 107.

¹⁶⁰ See, e.g., *Adelphia Order* ¶ 256 ("As the Commission has stated many times, the deployment of advanced video services is a recognized public interest benefit. . . . Thus, we find it more likely than not that the proposed transactions will have a positive impact on the deployment of certain advanced services to Adelphia subscribers.").

helps produce new opportunities for content providers – by offering, for example, more VOD capacity, more HD opportunities, and TV Everywhere. Programmers have also acknowledged the benefits that will flow from this transaction:

- Viacom: “[W]e welcome what Comcast had said about investing in its platform, providing more revenue opportunities with its consumers, investing in the capital infrastructure, both in its own systems and the newly acquired systems because . . . what is of highest importance to us is to make sure our content is available ubiquitously on different platforms in a measured way.”¹⁶¹
- Discovery: “Comcast is a great company. If they’re successful in bringing this deal to the finish line, I’m sure that they’ll do a great job in offering a lot of different products to consumers to consume content, including TV Everywhere where they’re a leader, and that will be advantageous for us.”¹⁶²
- Fox: “[T]here may be some positive [consequences from cable consolidation] [N]ew digital platforms in over-the-top players may grow even more quickly with a consolidated distribution industry.”¹⁶³
- CBS: Comcast put together “a pretty terrific deal” and CBS looks forward to working with the Comcast-owned TWC. “[T]he good news about Comcast is they own a network that competes with us and they own a number of cable channels, so they are a company that believes in content and they believe in paying fairly for content.”¹⁶⁴
- Starz: “[W]hatever the final configuration [of the transaction] is, there is a real opportunity for those companies with Starz products.”¹⁶⁵

Comcast is committed to deepening the value proposition for programmers and residential video customers – not only retaining them, but growing their numbers and giving them new and better ways of experiencing video.

¹⁶¹ Philippe Dauman, CEO, Viacom, Inc., Deutsche Bank Media, Internet & Telecom Conference, Tr. at 10 (Mar. 10, 2014).

¹⁶² David Zaslav, President & CEO, Discovery Communications, Inc., Q4 2013 Earnings Call, Tr. at 11 (Feb. 13, 2014).

¹⁶³ Charles Carey, President, 21st Century Fox, Inc., Q2 2014 Earnings Call, Tr. at 6 (Feb. 6, 2014).

¹⁶⁴ Hilary Lewis, *Les Moonves Thinks Comcast-Owned Time Warner Cable Will ‘Pay Appropriately’ For CBS Content*, Hollywood Reporter, Feb. 13, 2014, available at <http://www.hollywoodreporter.com/news/les-moonves-thinks-comcast-owned-680139>.

¹⁶⁵ Christopher P. Albrecht, CEO, Starz, Q4 2013 Earnings Call, Tr. at 10 (Feb. 21, 2014).